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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 000505

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TAGS: [PGOV](#) [TW](#)

SUBJECT: NEW DPP SECRETARY GENERAL WU NAI-JEN DISCUSSES
ELECTION PROSPECTS, CROSS-STRAIT TIES

REF: A. TAIPEI 0438

[1](#)B. TAIPEI 0500

Classified By: AIT Director Stephen M. Young,
Reasons: 1.4 (b/d)

[1](#)1. (C) Summary. New DPP Secretary General Wu Nai-jen and the Director discussed the party's prospects for the December local elections and cross-Straits developments during an April 27 meeting at DPP headquarters. Wu, a senior DPP campaign strategist, characterized the December elections as "very important" for party morale. In addition to fighting to retain the 6 (of 23) local governments seats it currently holds, the DPP is also setting its sights on Yilan and Taipei Counties. Former Premier Su Tseng-chang, the likely DPP candidate in Taipei County, would face a difficult contest because the population structure favors the KMT. Unlike many other DPP leaders, Wu did not focus his argument against President Ma's cross-Straits initiatives by claiming they were damaging Taiwan's sovereignty. Rather, he asserted that the business community was dissatisfied with the cross-Straits agreements signed on April 26 (ref B). End Summary.

Cautious on DPP Election Prospects

[1](#)2. (C) DPP Secretary General Wu Nai-jen told the Director on April 27 that the December local elections are "very important," explaining that party morale would suffer if the DPP does not do well. Wu modestly downplayed the media hype that he was brought back to the DPP Secretary General position on April 13 to spearhead the party's campaign strategy. (Note: Wu, a founding leader of the DPP's New Tide faction and one of the party's foremost election strategists, served previously as Secretary General in 2000-2002 and then left to head various state-controlled corporations.) Wu underscored the party's need to at least maintain the number of local governments it currently holds (6 of 23). In terms of winning new cities or counties, Wu judged the party's best chances are in Yilan and Taipei Counties.

[1](#)3. (C) Wu acknowledged that former Premier Su Tseng-chang is the most likely DPP candidate for Taipei County magistrate but noted Su is "not yet ready" to make an announcement. Wu believed the KMT is operating on the assumption that Su will be the DPP nominee. He opined that no matter who the KMT candidate is, the race will not be easy for Su given the KMT's grassroots strength in the county. Wu judged that

candidates' personalities will make the difference in races where there is close competition between DPP and KMT contenders. He maintained, however, that it would be "useless" to field candidates in areas where the DPP does not stand a chance such as Hualien and Miaoli Counties. In such districts, the DPP may decide not to nominate its own candidate but rather back an independent running against the KMT.

14. (C) Wu suggested it will take some time to resolve the situation in Tainan County, with former Presidential Office Secretary General Mark Chen continuing his bid even though the DPP has selected legislator Lee Chun-ye to run for county magistrate (ref A). Wu stressed that DPP Chair Tsai Ing-wen will not change her decision to nominate Lee and acknowledged the party is trying to put forward candidates who do not have close ties to former President Chen Shui-bian. The party needs to create room for a "new generation" of talent such as Lee, Wu said. (Note: Lee is 50 and Chen is 73.) Although Mark Chen does not have much influence, he is currently not willing to listen to the party. Therefore, the DPP will need to wait a bit longer before trying once again to persuade Chen to end his maverick campaign, which could lead to a split party vote and endanger the DPP's hold on Tainan County. We suggested as Chen's polling numbers drop, he'll see the light and search for a fave-saving exit.

15. (C) Acknowledging that Chen Shui-bian contributed to the party's losses in the 2008 legislative and presidential election, Wu predicted that the former president's influence

TAIPEI 00000505 002 OF 002

will gradually wane. Taiwan people will be able to distinguish between the DPP and Chen, he added.

Leery of Ma's Cross-Strait Overtures

16. (C) Wu expressed doubts about President Ma Ying-jeou's moves to develop closer cross-Strait ties. Unlike most other DPP leaders, however, Wu focused on the impact on Taiwan businesses rather than on sovereignty issues. He criticized the results of the third round of cross-Strait talks, which were held in Nanjing on April 25-26 (ref B). For example, he said, the agreement to expand flights by adding destinations to "small" cities such as Hefei does not help Taiwan airlines whereas a larger number of flights to Shanghai would have. Wu also said the KMT administration should have pushed harder for "fifth freedom" rights to enable Taiwan airlines to fly to China and then continue on to other destinations. Wu claimed the Taiwan stock market's 3 percent drop on April 27 reflected the business community's dissatisfaction with the new agreements. (Note: Some others have attributed much of the drop to concerns about the effects of the swine flu outbreak. Taiwan recorded the worst performance among East Asian bourses on that day, but has generally been among the faster rising markets over the past two months.)

17. (C) Wu argued that the nature of the Taiwan-China relationship needs to be spelled out in agreements and other documents, and he questioned what Taiwan really gains from deepened cross-Strait ties. If Taiwan continues to receive whatever China hands out, then it will eventually reach the "point of no return" where Taipei cannot change course and has no choice but to accept Beijing's demands. Wu did note that the DPP has some confidential channels for dialogue with Beijing but he did not go into details.

Comment

18. (C) Wu Nai-jen seemed up to the challenge of developing and executing a campaign strategy to help the DPP fare well in the December local elections. With many years of senior party experience, Wu may be able to deflect calls by the more

radical elements within the party who are urging Tsai to do more to protect Chen Shui-bian and to confront Ma Ying-jeou. Wu's business experience and connections may also prove helpful. At the same time, Wu's connections to the New Tide faction could make him a target for critics of the party's strongest faction.

YOUNG